

EXCISE



PC2, C5

A 225

CONFIDENTIAL

AM: D900552-0952

CONFIDENTIAL

PAGE 01 SANTIAGO 04481 01 OF 04 152105Z
ACTION ARA-01

INFO LDG-00 ADS-00 INR-05 EUR-01 SS-01 CIAE-00 EB-01
DODE-00 H-01 NSCE-00 NSAE-00 L-03 AMAD-01 PH-01
PA-01 INRE-00 ACDA-13 SP-01 PRS-01 DS-01 SCT-03
/035 W

-----205664 171449Z /4: 38

R 152054Z JUN 90
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 6624

-INFO AMEMBASSY ASUNCION

AMEMBASSY BAGHDAD
AMEMBASSY PRETORIA
AMCONSUL CAPE TOWN
AMEMBASSY TEL AVIV
AMEMBASSY BUENOS AIRES
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY TORONTO
AMEMBASSY MONTEVIDEO
USCINCSO QUARRY HEIGHTS
USIA WASHDC 1949
USDOC WASHDC

DEPARTMENT OF STATE

() RELEASE () DECLASSIFY
(X) EXCISE (X) DECLASSIFY
() DENY IN PART
() DELETE Non-Responsive Info
FOIA Exemptions _____
PA Exemptions _____

IS/FPC/CDR *PCB*

Date: *5/27/94*

MR Cases Only:

EO Citations *C2, C5*

TS authority to:

() CLASSIFY as () S or () C OADR
() DOWNGRADE TS to () S or () C OADR

CONFIDENTIAL SECTION 01 OF 04 SANTIAGO 04481

DEPT ALSO FOR AMBASSADOR RICHARD T. KENNEDY/MP

DEPT ALSO FOR DES/NEC

CAPE TOWN FOR EMBASSY

E.O. 12356: DECL: OADR

TAGS: PGOV, MASS, PARM, KNNP, C1

SUBJ: DEATH OF BRITISH JOURNALIST RAISES QUESTIONS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTIAGO 04481 01 OF 04 152105Z

ABOUT CHILEAN ARMS EXPORTER

CONFIDENTIAL

This document is subject to the confidentiality requirements of section 38(e) of the Arms Export Control Act and may not be released to the public.

CONFIDENTIAL

REF: (A) SANTIAGO 1748 (NOTAL); (B) SANTIAGO 4364

1. (U) SUMMARY: POSSIBLE IRREGULARITIES SURROUNDING THE RECENT DEATH OF A BRITISH JOURNALIST IN SANTIAGO HAVE RAISED QUESTIONS ABOUT THE INVOLVEMENT OF CARDOEN INDUSTRIES, A LEADING CHILEAN WEAPONS MANUFACTURER, IN THE INTERNATIONAL ARMS MARKET. THE LOCAL MEDIA HAVE PICKED UP ON A CONSPIRACY THEORY LAUNCHED IN THE BRITISH PRESS WHICH ALLEGES THAT THE JOURNALIST WAS MURDERED TO COVER UP THE COMPANY'S PLANS TO SELL A MODIFIED U.S. HELICOPTER TO IRAQ FOR MILITARY PURPOSES. LOCAL REPORTERS THINK THIS MOTIVE IMPROBABLE, BUT SUSPECT THE CHILEAN COMPANY HAS BEEN ACTIVELY INVOLVED IN THE ILLEGAL TRANSFER OF SENSITIVE TECHNOLOGY, POSSIBLY EVEN INCLUDING ASSISTANCE TO IRAQ IN ITS EFFORTS TO BUILD NUCLEAR WEAPONS. CARDOEN'S LINKS WITH A U.S. COMPANY IN THE DEVELOPMENT OF A HELICOPTER THAT CAN BE CONFIGURED FOR MILITARY USE IS LIKELY TO COME UNDER INCREASED SCRUTINY. END SUMMARY.

.....
CHILEAN WHI DUNIT
.....

2. (U) CHILEAN AUTHORITIES ARE CO NING TO INVESTIGATE THE MARCH 31 DEATH OF BRITISH JOURNALIST JONATHAN MOYLE, WHO WAS IN SANTIAGO COVERING THE BIENNIAL INTERNATIONAL AIR AND SPACE FAIR (FIDAE). ORIGINAL REPORTS INDICATED THAT MOYLE, DEPRESSED BY PERSONAL PROBLEMS, HAD COMMITTED SUICIDE. DETAILS PRESENTED IN SUBSEQUENT LOCAL PRESS ACCOUNTS POINT TO FOUL PLAY: MOYLE WAS FOUND HANGING IN
CONFIDENTIAL
CONFIDENTIAL

PAGE 03

SANTIA 04481 01 OF 04 152105Z

HIS HOTEL ROOM CLOSET, A PILLOW CASE PULLED OVER HIS HEAD AND HIS UNDERWEAR TANGLED AROUND HIS ANKLES. THERE WERE MARKS ON HIS WRISTS SUGGESTING HE HAD BEEN BOUND, AND BLOOD STAINS ON THE SHEETS OF HIS BED. FURTHERMORE, BECAUSE THE DOOR OF THE CLOSET WAS SHUT THE BODY WAS NOT DISCOVERED UNTIL AFTER THE MAID CLEANED THE ROOM AND SENT THE SHEETS TO THE LAUNDRY. A NUMBER OF GRAY FOLDERS WHICH THE MAID REPORTS TO HAVE SEEN IN THE ROOM AND A SUITCASE REPORTED TO HAVE BEEN IN HIS POSSESSION EARLIER WERE SAID TO BE MISSING FROM MOYLE'S PERSONAL EFFECTS.

CONFIDENTIAL

CONFIDENTIAL

THE JUDGE IN CHARGE OF THE CASE HAS ASKED THE OS-7 UNIT OF THE CARABINEROS (NATIONAL POLICE) TO FOLLOW UP ON THE INITIAL INVESTIGATION AFTER THE AUTOPSY REVEALED TRACES OF A SEDATIVE IN MOYLE'S BLOOD.

3. (C) THE BRITISH EMBASSY HAS AVOIDED PUBLIC COMMENT ON THE SPECULATION.

C2

SECRET
FIRST SECRET
1-11-64 3

.....
A CONSPIRACY IN THE MAKING?
.....

4. (U) THE LOCAL MEDIA ALSO PICKED UP ON REPORTS IN THE INTERNATIONAL PRESS THAT MOYLE, THE EDITOR OF "DEFENSE HELICOPTER WORLD," HAD UNCOVERED SENSITIVE INFORMATION ON PLANS BY CHILEAN ARMS DEALER CARLOS CARDOEN TO SELL TO

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL
CONFIDENTIAL

PAGE 01 SANTIA 04481 02 OF 04 152107Z
ACTION ARA-01

INFO LOG-00 ADS-00 INR-05 EUR-01 SS-01 CIAE-00 EB-01
DODE-00 H-01 NSCE-00 NSAE-00 L-03 AMAD-01 PM-01
PA-C1 INRE-00 ACDA-13 SP-01 PRS-01 DS-01 /032 W
-----205670 171450Z /41

R 152054Z JUN 90
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 6625
INFO AMEMBASSY ASUNCION
AMEMBASSY BAGHDAD
AMEMBASSY PRETORIA
ANCONSUL CAPE TOWN
AMEMBASSY TEL AVIV
AMEMBASSY BUENOS AIRES
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY MADRID
AMEMBASSY MONTEVIDEO
USCINCSO QUARRY HEIGHTS
USIA WASHDC 1950
USDOC WASHDC

C O N F I D E N T I A L SECTION 02 OF 04 SANTIAGO 04481

DEPT ALSO FOR AMBASSADOR RICHARD T. KENNEDY/NP

DEPT ALSO FOR /OES/NEC

CAPE TOWN FOR EMBASSY

E.O. 12356: DELL:OADR
TAGS: PGOV, MASS, PARM, KNHP, CI
SUBJ: DEATH OF BRITISH JOURNALIST RAISES QUESTIONS

CONFIDENTIAL
CONFIDENTIAL

PAGE 02 SANTIA 04481 02 OF 04 152107Z

IRAQ A MODIFIED VERSION OF A BELL 206L-111 HELICOPTER,
WHICH HIS COMPANY, CARDOEN INDUSTRIES (CI), IS

CONFIDENTIAL

CONFIDENTIAL

DEVELOPING. ACCORDING TO A MAY 20 STORY IN BRITAIN'S "INDEPENDENT ON SUNDAY," MOYLE'S NOTEBOOK HAD DETAILED INFORMATION ON HELIOS, A RESTRICTED NAVIGATION SYSTEM WHICH CARDOEN PLANNED TO INCORPORATE INTO HELICOPTERS DESTINED FOR IRAQ. THE STORY SUGGESTED, NOT TOO SUBTLY, THAT CARDOEN HAD SOMEHOW BEEN INVOLVED IN MOYLE'S DEATH. IT CONCLUDED BY REFERRING TO A THEORY CIRCULATING IN SANTIAGO THAT IRAQI AGENTS HAD KILLED MOYLE TO KEEP HIM FROM PUBLISHING INFORMATION WHICH WOULD BLOCK THE SALES.

5. (U) FOLLOWING THE REPORT CI'S SPOKESMAN, RAUL MONTECINOS, WHOM THE INDEPENDENT HAD LABELED AS THE LAST MAN TO SEE MOYLE ALIVE, ISSUED A STRONGLY WORDED DENIAL THAT CI WAS INVOLVED IN THE JOURNALIST'S DEATH. IN A PRESS CONFERENCE ON MAY 24, CARDOEN HIMSELF SHARPLY DENIED ANY LINK BETWEEN THE 206L-III PROJECT AND THE MOYLE INCIDENT. HE ASSERTED THAT CI HAD BEEN TOTALLY ABOVEBOARD IN ITS EFFORTS ON THE HELICOPTER PROJECT AND THAT THE PROTOTYPE WAS IN THE FINAL STAGE OF AN FAA TECHNICAL REVIEW. CARDOEN ACKNOWLEDGED HIS COMPANY'S CLOSE BUSINESS RELATIONSHIP WITH IRAQ BUT MAINTAINED THERE WERE NO PLANS TO SELL IT THE 206L-III.

.....
NUCLEAR MIDDLEMAN?
.....

6. (U) SUBSEQUENT REPORTS IN THE SANTIAGO DAILY "LA EPOCA" BY RAUL SOHR, A LOCAL JOURNALIST SPECIALIZING IN MILITARY AFFAIRS, DOWNPLAYED THE IMPORTANCE OF HELIOS BUT RAISED ADDITIONAL QUESTIONS ABOUT CARDOEN'S ROLE IN THE
CONFIDENTIAL
CONFIDENTIAL

PAGE 03

SANTIA 04481 02 OF 04 152107Z

INTERNATIONAL ARMS MARKET. SOHR HAS REVIEWED IRAQI EFFORTS TO BUILD MEDIUM RANGE NUCLEAR WEAPONS AND/OR A SUPER CANNON FOR TACTICAL NUCLEAR WEAPONS FOR USE AGAINST ISRAEL. BY WAY OF BACKGROUND, SOHR RECOUNTS CARDOEN'S INVOLVEMENT WITH THE G5/G6 155MM CANNON WHICH SOUTH AFRICAN WEAPONS BUILDER ARMSCOR CURRENTLY SELLS TO IRAQ. SOHR HAS ALSO REPEATED CHARGES MADE IN BRITISH DEFENSE WEEKLY "JANES" THAT CARDOEN PROVIDED IRAQ WITH A SENSITIVE OSCILLOSCOPE NECESSARY FOR TESTING NUCLEAR DETONATORS. IMPLICIT IN SOHR'S REPORTING IS A SUGGESTION THAT CARDOEN IS A MAJOR PLAYER IN THE INTERNATIONAL ARMS

CONFIDENTIAL

CONFIDENTIAL
MARKET AND HAS SKIRTED U.S. REGULATIONS ON TECHNOLOGY
TRANSFER.

7. (U) CARDOEN'S BUSINESS RELATIONSHIP WITH IRAQ AND
SOUTH AFRICA IS WELL KNOWN. CI EXPORTS CLUSTER BOMBS
MADE IN CHILE TO IRAQ (SOHR SAYS 95 PERCENT OF ITS
CHILEAN PRODUCTION WORTH HUNDREDS OF MILLIONS); OPERATES
A MUNITIONS FACTORY ON THE OUTSKIRTS OF BAGHDAD; AND
ASSEMBLES THE G5/G6 155 MM CANNON FOR ARMSCOR. ALTHOUGH
THE CHILEAN AIR FORCE DID NOT INVITE THE SOUTH AFRICANS
TO THE MARCH FIDAE, JOHANN VAN RENSBURG, A SOUTH AFRICAN
WORKING FOR ARMSCOR, WAS AMONG THOSE MANNING CI'S BOOTH.

8. (C)) HAS COMMENTED TO US THAT PRES
REPORTS OF CARDOEN'S ROLE IN THE INTERNATIONAL ARMS TRAD
TEND TO BE GREATLY EXAGGERATED. ALLUDING TO CI'S
ASSOCIATION IN A JOINT VENTURE WITH THE UK, HE SAID
CARDOEN IS WELL AWARE THAT WORLDWIDE DEMAND FOR HIS
PRODUCTS IS LIKELY TO SUBSIDE WITH THE DIMINUTION OF
EAST-WEST TENSIONS, AND IS TAKING THE INITIATIVE TO
DIVERSIFY INTO NON-MILITARY AREAS. HE DID NOT, HOWEVER,

c2 ✓

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL
CONFIDENTIAL

PAGE 01 SANTIAGO 04481 03 OF 04 152108Z
ACTION ARA-01

INFO LOG-00 ADS-00 INR-05 EUR-01 SS-01 CIAE-00 EB-01
DODE-00 H-01 NSCE-00 NSAE-00 L-03 AMAD-01 PM-01
PA-01 INRE-00 ACDA-13 SP-01 PRS-01 DS-01 SCT-03
/035 H

-----205703 171450Z /41 38

R 152054Z JUN 90
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 6626
INFO AMEMBASSY ASUNCION
AMEMBASSY BAGHDAD
AMEMBASSY PRETORIA
AMCONSUL CAPE TOWN
AMEMBASSY TEL AVIV
AMEMBASSY BUENOS AIRES
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY MADRID
AMEMBASSY MONTEVIDEO
USCINCPAC QUARRY HEIGHTS
USIA WASHDC 1951
USDOC WASHDC

CONFIDENTIAL SECTION 03 OF 04 SANTIAGO 04481

DEPT ALSO FOR AMBASSADOR RICHARD T. KENNEDY/MP

DEPT ALSO FOR /GES/NEC

CAPE TOWN FOR EMBASSY

E.O. 12356: DECL: OADR
TAGS: PGOV, MASS, PARM, KNNP, CI
SUBJ: DEATH OF BRITISH JOURNALIST RAISES QUESTIONS
CONFIDENTIAL
CONFIDENTIAL

PAGE 02 SANTIAGO 04481 03 OF 04 152108Z

MINIMIZE CARDOEN'S EFFORTS TO MAINTAIN AND EXPAND H

CONFIDENTIAL

CONFIDENTIAL
MARKET SHARE IN THIRD WORLD TROUBLE SPOTS, INCLUDING IRAQ
AND POSSIBLY IRAN.

.....
RUMORS AND INNUENDO
.....

9. (C) THE MOYLE AFFAIR IS FAR FROM BEING RESOLVED. THERE ARE REPORTS OF A STRANGE INCIDENT INVOLVING AN ABANDONED SUITCASE IN AN UPTOWN SANTIAGO NEIGHBORHOOD. WHEN LOCAL POLICE ARRIVED AT THE SCENE TO INVESTIGATE, A MAN IDENTIFIED BY WITNESSES AS MOYLE SUDDENLY APPEARED TO RETRIEVE HIS "LOST BAG." LOCAL PRESS REPORTS HAVE SUGGESTED THAT MOYLE, AN RAF PILOT, WAS WORKING FOR BRITISH INTELLIGENCE. A MORE BIZARRE TWIST WAS ADDED IN A REPORT BY THE BRITISH NEWSPAPER "THE GUARDIAN" THAT BRITISH SOURCES IN CHILE HAD SUGGESTED MOYLE WAS A SEXUAL PERVERT AND HIS DEATH WAS LINKED TO A SEXUAL PRACTICE WHICH INVOLVES BLOCKING AIR INTAKE.

EMBASSY
PRESS OFFICER THAT HE WAS PASSED THE UNSOLICITED INFORMATION AT A RECENT BRITISH EMBASSY PARTY IN SANTIAGO AND FOUND IT STRANGE THAT IT HAD SURFACED INDEPENDENTLY IN LONDON. [] SAID HE HAD BEEN TOLD BY A RELIABLE SOURCE THAT MI-5 IN LONDON HAD GIVEN IT TO REPORTER [] THERE). [] SAID HE CONSIDERED THE SEX ANGLE A SMOKE SCREEN AND RAN IT MOSTLY TO ELICIT A REACTION BY MMG, WHICH SUBSEQUENTLY DENIED IT.

.....
CHILE'S LINK TO ARMS MARKET
CONFIDENTIAL
CONFIDENTIAL

PAGE 03 SANTIAGO 04481 03 OF 04 152108Z

10. (C) THE INVESTIGATING JUDGE, CURRENTLY ON VACATION, HAS NAMED 30 WITNESSES IN THE MOYLE CASE. CERTAINLY, IF FOUL PLAY IS DISCOVERED, THERE WILL BE RENEWED INTEREST IN CARDOEN'S ROLE IN TRANSFERRING SENSITIVE TECHNOLOGY. EMBASSY PRESS OFFICER HAS BEEN IN TOUCH WITH []

[] WHO IS CONVINCED THAT CARDOEN IS ACTIVELY ASSISTING IRAQ IN ITS EFFORT TO ACQUIRE NUCLEAR WEAPONS. [] ALLEGES THAT CARDOEN HAS AN AGREEMENT WITH IRAQ FOR THE DELIVERY OF 50 OF THE

CONFIDENTIAL

CONFIDENTIAL

NEW CARDOEN HELICOPTERS..

QUESTIONS THE
EFFECTIVENESS OF U.S. REGULATIONS SINCE CARDOEN IS
ACTIVELY ADVERTISING THE MODIFIED BELL 206L-III AS A
MILITARY ATTACK HELICOPTER IN HIS MARKETING EFFORTS. I

GAVE EMBASSY PRESS OFFICER A BROCHURE, ALLEGEDLY
PROVIDED BY A CARDOEN REPRESENTATIVE IN IRAQ, DESCRIBING
THE "206L-III ATTACK HELICOPTER."

SUSPECTS
THAT CARDOEN DID PROVIDE THE OSCILLOSCOPE, AND IS
TRANSFERRING OTHER SENSITIVE TECHNOLOGY TO IRAQ AND SOUT
AFRICA THROUGH HIS EUROPEAN COMPANY, SWISS TECH
(PHONETIC).

ALSO MENTIONED CARDOEN'S SALE OF
VAX-DIGITAL COMPUTER EQUIPMENT TO THE SOUTH AFRICANS, AN
CARDOEN'S ROLE AS A MIDDLEMAN IN MARKETING KURKIC OIL (A
HIGH GRADE OIL) TO THE U.S. FROM IRAQ.

REFER
TO THE FREE TRADE ZONE IN IQUIQUE (THE NORTHERN CITY
WHERE CARDOEN'S OPERATIONS ARE BASED) AS THE "BLACK HOLE
INTO WHICH U.S. AND OTHER MILITARY TECHNOLOGY DISAPPEARS

C2 ✓

C2 ✓

C2 ✓

C2 ✓

C2 ✓

11. (C) COMMENT:

C5

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL
CONFIDENTIAL

PAGE 01 SANTIA 04481 04 OF 04 152107Z
ACTION ARA-01

INFO LOG-00 ADS-00 AID-01 INR-05 EUR-01 SS-01 CIAE-00
EB-01 DODE-00 H-01 NSCE-00 NSAE-00 L-03 AMAD-01
PM-01 PA-01 INRE-00 ACDA-13 SP-01 PRS-01 DS-01
SCT-03 /036 W

-----205701 171450Z /41

R 152054Z JUN 90
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 6627
INFO AMEMBASSY ASUNCION
AMEMBASSY BAGHDAD
AMEMBASSY PRETORIA
AMCONSUL CAPE TOWN
AMEMBASSY TEL AVIV
AMEMBASSY BUENOS AIRES
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY MADRID
AMEMBASSY MONTEVIDEO
USCINCSO QUARLES HEIGHTS
USIA WASHDC 1952
USDOC WASHDC

C O N F I D E N T I A L SECTION 04 OF 04 SANTIAGO 04481

DEPT ALSO FOR AMBASSADOR RICHARD T. KENNEDY/NP

DEPT ALSO FOR DES/NEC

CAPE TOWN FOR EMBASSY

E.O. 12356: DLCL:UADR
TAGS: PGDY, MASS, PARM, KNMP, CI
SUBJ: DEATH OF BRITISH JOURNALIST RAISES QUESTIONS
CONFIDENTIAL
CONFIDENTIAL

PAGE 02 SANTIA 04481 04 OF 04 152107Z

MEANS CERTAIN IT WILL GO FORWARD. (CAUTION: PROPRIETAR

CONFIDENTIAL

CONFIDENTIAL
INFORMATION.) A RECENT PRESS REPORT INDICATES THAT
BELL-TEXTROM TURNED DOWN CARDOEN'S ORIGINAL OFFER ON THE
MODIFIED 206L-III PROJECT BUT PASSED THE BUSINESS ON TO
GLOBAL HELICOPTER TECHNOLOGY (GHT), A COMPANY STAFFED BY
EX-BELL EMPLOYEES THAT WORKS CLOSELY WITH BELL.
ACCORDING TO THE REPORT, GHT IS CI'S U.S. PARTNER AND HAS
MANAGED THE FAA CERTIFICATION PROCESS.

12. IN THE WAKE OF REPORTS OF CARDOEN'S INVOLVEMENT IN
SELLING CLUSTER BOMBS TO IRAN AND IRAQ, FUTURE REPORTING
IS BOUND TO BE SENSATIONALIST AND MAY CHARGE THE US WITH
LOOKING THE OTHER WAY ON CI ACTIVITIES. GILLESPIE

CONFIDENTIAL

CONFIDENTIAL

EXCISED COPY FOLLOWS

CONFIDENTIAL

CONFIDENTIAL

PAGE 01

SANTIA 04481 01 OF 04 152105Z

ACTION ARA-01

INFO LOG-00

DODE-00

PA-01

/035 W

ADS-Q0

H-01

TIRE-00

INR-25

NSCE-00

ACJA-13

EUR-01

WSAE-00

EP-01

SS-01

E-02

RS-01

CIAE-00

IAD-01

BS-01

E2-01

PH-01

SCT-03

-----205664 171449Z /41 38

R 152054Z JUN 90

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 6624

INFO AMEMBASSY ASUNCION

AMEMBASSY BAGHDAD

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

AMEMBASSY TEL AVIV

AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMEMBASSY LIHA

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY MADRID

AMEMBASSY MONTEVIDEO

USCINCSO QUARRY HEIGHTS

USIA WASHDC 1949

USDOC WASHDC

C O N F I D E N T I A L SECTION 01 OF 04 SANTIAGO 04481

DEPT ALSO FOR AMBASSADOR RICHARD T. KENNEDY/NP

DEPT ALSO FOR CARLTON THORNE/OES/NEC

CAPE TOWN FOR EMBASSY

E.O. 12356: DECL: OADR

TAGS: PGQV, MASS, PARM, KNHP, CI

SUBJ: DEATH OF BRITISH JOURNALIST RAISES QUESTIONS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02

SANTIA 04481 01 OF 04 152105Z

ASOUT CHILEAN ARMS EXPORTER

REF: (A) SANTIAGO 1748 (TOTAL), (B) SANTIAGO 4364M

1. (U) SUMMARY: POSSIBLE IRREGULARITIES SURROUNDING THE RECENT DEATH OF A BRITISH JOURNALIST IN SANTIAGO HAVE RAISED QUESTIONS ABOUT THE INVOLVEMENT OF CARDOEN INDUSTRIES, A LEADING CHILEAN WEAPONS MANUFACTURER, IN THE INTERNATIONAL ARMS MARKET. THE LOCAL MEDIA HAVE PICKED UP ON A CONSPIRACY THEORY LAUNCHED IN THE BRITISH PRESS WHICH ALLEGES THAT THE JOURNALIST WAS MURDERED TO COVER UP THE COMPANY'S PLANS TO SELL A MODIFIED U.S. HELICOPTER TO IRAQ FOR MILITARY PURPOSES- LOCAL REPORTERS THINK THIS MOTIVE IMPROBABLE, BUT SUSPECT THE CHILEAN COMPANY HAS BEEN ACTIVELY INVOLVED IN THE ILLEGAL TRANSFER OF SENSITIVE TECHNOLOGY, POSSIBLY EVEN INCLUDING ASSISTANCE TO IRAQ IN ITS EFFORTS TO BUILD NUCLEAR

CONFIDENTIAL

PAGE 1

0315087000

EXCISE

DEPARTMENT OF STATE A/CDC/LR

REVIEWED BY

() RECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED IN PART

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

() DECLASSIFIED

CONFIDENTIAL

WEAPONS. CARDOEN'S LINKS WITH A U.S. COMPANY IN THE DEVELOPMENT OF A HELICOPTER THAT CAN BE CONFIGURED FOR MILITARY USE IS LIKELY TO COME UNDER INCREASED SCRUTINY. END SUMMARY.

CHILEAN WOODUNIT

DECLASSIFIED

2. (U) CHILEAN AUTHORITIES ARE CONTINUING TO INVESTIGATE THE MARCH 31 DEATH OF BRITISH JOURNALIST JONATHAN MOYLE, WHO WAS IN SANTIAGO COVERING THE BIENNIAL INTERNATIONAL AIR AND SPACE FAIR (FIDAE). ORIGINAL REPORTS INDICATED THAT MOYLE, DEPRESSED BY PERSONAL PROBLEMS, HAD COMMITTED SUICIDE. DETAILS PRESENTED IN SUBSEQUENT LOCAL PRESS ACCOUNTS POINT TO FOUL PLAY: MOYLE WAS FOUND HANGING IN

CONFIDENTIAL

PAGE 03

SANTIA 04431 01 OF 04 152105Z

HIS HOTEL-ROOM CLOSET, A PILLOW CASE PULLED OVER HIS HEAD AND HIS UNDERWEAR TANGLED AROUND HIS ANKLES. THERE WERE MARKS ON HIS WRISTS SUGGESTING HE HAD BEEN POUNCED, AND BLOOD STAINS ON THE SHEETS OF HIS BED. FURTHERMORE, BECAUSE THE DOOR OF THE CLOSET WAS SHUT THE BODY WAS NOT DISCOVERED UNTIL AFTER THE MAID CLEANED THE ROOM AND SENT THE SHEETS TO THE LAUNDRY. A NUMBER OF GRAY FOLDERS WHICH THE MAID REPORTS TO HAVE SEEN IN THE ROOM AND A SUITCASE REPORTED TO HAVE BEEN IN HIS POSSESSION EARLIER WERE SAID TO BE MISSING FROM MOYLE'S PERSONAL EFFECTS. THE JUDGE IN CHARGE OF THE CASE HAS ASKED THE DS-7 UNIT OF THE CARABINEROS (NATIONAL POLICE) TO FOLLOW UP ON THE INITIAL INVESTIGATION AFTER THE AUTOPSY REVEALED TRACES OF A SEDATIVE IN MOYLE'S BLOOD.

3. (C) ✓

6123

A CONSPIRACY IN THE MAKING?

4. (U) THE LOCAL MEDIA ALSO PICKED UP ON REPORTS IN THE INTERNATIONAL PRESS THAT MOYLE, THE EDITOR OF "DEFENSE HELICOPTER WORLD," HAD UNCOVERED SENSITIVE INFORMATION ON PLANS BY CHILEAN ARMS DEALER CARLOS CARDOEN TO SELL TO

CONFIDENTIAL

CONFIDENTIAL

PAGE

2

DECLASSIFIED

CONFIDENTIAL

CONFIDENTIAL

PAGE 01 SANTIAGO 04481 02 OF 04 152107Z

ACTION ARA-01

INFO LOG-00 ADS-00 INR-05 EUP-01 SS-01 CIAE-00 E9-01
 DODE-00 H-01 NCE-00 NSAE-00 1-03 AMAD-01 P4-01
 PA-01 INRE-00 ACPA-13 SP-01 PRS-01 OS-01 /032 W
 -----205670 171450Z /41

R 152054Z JUN 90
 FM AMEMBASSY SANTIAGO
 TO SECSTATE WASHDC 6625
 INFO AMEMBASSY ASUNCION
 AMEMBASSY BAGHDAD
 AMEMBASSY PRETORIA
 AMCONSUL CAPE TOWN
 AMEMBASSY TEL AVIV
 AMEMBASSY BUENOS AIRES
 AMEMBASSY LA PAZ
 AMEMBASSY LIMA
 AMEMBASSY LONDON
 AMEMBASSY ROME
 AMEMBASSY MADRID
 AMEMBASSY MONTEVIDEO
 USCINCSO QUARRY HEIGHTS
 USIA WASHDC 1950
 USDDC WASHDC
 C O N F I D E N T I A L SECTION 02 OF 04 SANTIAGO 04481
 DEPT ALSO FOR AMBASSADOR RICHARD T. KENNEDY/NP
 DEPT ALSO FOR CARLTON THORNE/DES/LEC
 CAPE TOWN FOR EMBASSY
 E.O. 12356: DECL: OADR
 TAGS: PCOV, MASS, PARM, KMRP, CI
 SUBJ: DEATH OF BRITISH JOURNALIST RAISES QUESTIONS
 CONFIDENTIAL
 CONFIDENTIAL

PAGE 02 SANTIAGO 04481 02 OF 04 152107Z
 IRAQ A MODIFIED VERSION OF A BELL 206L-III HELICOPTER,
 WHICH HIS COMPANY, CARDEN INDUSTRIES (CI), IS
 DEVELOPING. ACCORDING TO A MAY 20 STORY IN BRITAIN'S
 "INDEPENDENT ON SUNDAY," MOYLE'S NOTEBOOK HAD DETAILED
 INFORMATION ON HELIOS, A RESTRICTED NAVIGATION SYSTEM
 WHICH CARDEN PLANNED TO INCORPORATE INTO HELICOPTERS
 DESTINED FOR IRAQ. THE STORY SUGGESTED, NOT TOO SUBTLY,
 THAT CARDEN HAD SOMEHOW BEEN INVOLVED IN MOYLE'S DEATH.
 IT CONCLUDED BY REFERRING TO A THEORY CIRCULATING IN
 SANTIAGO THAT IRAQI AGENTS HAD KILLED MOYLE TO KEEP HIM
 FROM PUBLISHING INFORMATION WHICH WOULD BLOCK THE SALES.
 3. (U) FOLLOWING THE REPORT CI'S SPOKESMAN, RAUL
 MONTECINOS, WHOM THE INDEPENDENT HAD LABELED AS THE LAST
 MAN TO SEE MOYLE ALIVE, ISSUED A STRONGLY WORDED DENIAL
 THAT CI WAS INVOLVED IN THE JOURNALIST'S DEATH. IN A
 PRESS CONFERENCE ON MAY 24, CARDEN HIMSELF SHARPLY

CONFIDENTIAL

001507030

CONFIDENTIAL

DENIED ANY LINK BETWEEN THE 206L-III PROJECT AND THE MOYLE INCIDENT. HE ASSESSED THAT CI HAD BEEN TOTALLY APOORWARD IN ITS EFFORTS ON THE HELICOPTER PROJECT AND THAT THE PROTOTYPE WAS IN THE FINAL STAGE OF AN FAA TECHNICAL REVIEW. CARDEN ACKNOWLEDGED HIS COMPANY'S CLOSE BUSINESS RELATIONSHIP WITH IRAQ BUT MAINTAINED THERE WERE NO PLANS TO SELL HI THE 206L-III.

NUCLEAR MIDDLEMAN?

6. (U) SUBSEQUENT REPORTS IN THE SANTIAGO DAILY "LA EPoca" BY RAUL SOHR, A LOCAL JOURNALIST SPECIALIZING IN MILITARY AFFAIRS, DOWNPLAYED THE IMPORTANCE OF HELIOS BUT RAISED ADDITIONAL QUESTIONS ABOUT CARDEN'S ROLE IN THE

CONFIDENTIAL

PAGE 03 SANTIAGO 04491 02 OF 04 152107Z
INTERNATIONAL ARMS MARKET. SOHR HAS REVIEWED IRAQI EFFORTS TO BUILD MEDIUM RANGE NUCLEAR WEAPONS AND/OR A SUPER CANNON FOR TACTICAL NUCLEAR WEAPONS FOR USE AGAINST ISRAEL. BY WAY OF BACKGROUND, SOHR RECOUNTS CARDEN'S INVOLVEMENT WITH THE G5/G6 155MM CANNON WHICH SOUTH AFRICAN WEAPONS BUILDER ARMSCOR CURRENTLY SELLS TO IRAQ. SOHR HAS ALSO REPEATED CHARGES MADE IN BRITISH DEFENSE WEEKLY "JAVES" THAT CARDEN PROVIDED IRAQ WITH A SENSITIVE OSCILLOSCOPE NECESSARY FOR TESTING NUCLEAR DETONATORS. IMPLICIT IN SOHR'S REPORTING IS A SUGGESTION THAT CARDEN IS A MAJOR PLAYER IN THE INTERNATIONAL ARMS MARKET AND HAS STARTED U.S. REGULATIONS ON TECHNOLOGY TRANSFER.

7. (U) CARDEN'S BUSINESS RELATIONSHIP WITH IRAQ AND SOUTH AFRICA IS WELL KNOWN. CI EXPORTS CLUSTER BOMBS MADE IN CHILE TO IRAQ (SOHR SAYS 95 PERCENT OF ITS CHILEAN PRODUCTION WORTH HUNDREDS OF MILLIONS), OPERATES A MUNITIONS FACTORY ON THE OUTSKIRTS OF BAGHDAD, AND ASSEMBLES THE G5/G6 155 MM CANNON FOR ARMSCOR. ALTHOUGH THE CHILEAN AIR FORCE DID NOT INVITE THE SOUTH AFRICANS TO THE MARCH FIDAE, JOHANN VAN RENSBURG, A SOUTH AFRICAN WORKING FOR ARMSCOR, WAS AMONG THOSE MANNING CI'S BOOTH.

3. (C) T

b1a3

CONFIDENTIAL

CONFIDENTIAL

PAGE

4

0315587030

00 SANTIAGO 4491

09/05/91 150013

PRINTER: HQ

CONFIDENTIAL

BRITISH SOURCES IN CHILE HAD SUGGESTED MOYLE WAS A SEXUAL
PERVERT AND HIS DEATH WAS LINKED TO A SEXUAL PRACTICE
WHICH INVOLVES FLOODING MAIN INTEREST

CONFIDENTIAL

b1 a 9

CHILE'S LINK TO ARMS MARKET

CONFIDENTIAL

CONFIDENTIAL

PAGE 03

SANTIA 04431 03 OF 04 152108Z

b1 a 5, a

CONFIDENTIAL

CONFIDENTIAL

PAGE

6

90 SANTIAGO 4441

CONFIDENTIAL

CONFIDENTIAL

PAGE 01

ACTION: ARA-01

INFO LOG-00

ER-01

PR-01

SCT-03

SANTIA 04491 04 CF 04 152107Z

ADS-00 AID-01 INP-05 EUR-01 ES-01
DDE-00 4-01 HSC-00 HSAE-00 L-03
PA-01 INRE-00 ACOA-13 SP-01 PRG-01

CIAE-00

AMAD-01

DS-01

-----205701 171450Z /41

R 152054Z JUN 90

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 6627

INFO AMEMBASSY ASUNCION

AMEMBASSY BAGHDAD

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

AMEMBASSY TEL AVIV

AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY MADRID

AMEMBASSY MONTEVIDEO

USCINCSO QUARRY HEIGHTS

USIA WASHDC 1952

USDDC WASHDC

C O H F I O E N T I A L SECTION 04 CF 04 SANTIAGO 04491

DEPT ALSO FOR AMBASSADOR RICHARD T. KENNEDY/HP

DEPT ALSO FOR CARLTON THORNE/DES/REC

CAPE TOWN FOR EMBASSY

E.O. 12356: DECL: OADR

TAGS: PGOV, MASS, PARK, KAMP, CI

SUBJ: DEATH OF BRITISH JOURNALIST RAISES QUESTIONS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02

SANTIA 04491 04 OF 04 152107Z

A RECENT PRESS REPORT INDICATES THAT BELL-TEXTRON TURNED DOWN CAPOTEN'S ORIGINAL OFFER ON THE MODIFIED 204L-III PROJECT BUT PASSED THE BUSINESS ON TO GLOBAL HELICOPTER TECHNOLOGY (GHT), A COMPANY STAFFED BY EX-BELL EMPLOYEES THAT WORKS CLOSELY WITH BELL. ACCORDING TO THE REPORT, GHT IS CI'S U.S. PARTNER AND HAS MANAGED THE FAA CERTIFICATION PROCESS.

12.

b1a519

b1a5

00115087000